

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2013

FISCAL ANALYSIS MEMORANDUM

[This confidential fiscal memorandum is a fiscal analysis of a draft bill, amendment, committee substitute, or conference committee report that has not been formally introduced or adopted on the chamber floor or in committee. This is not an official fiscal note. If upon introduction of the bill you determine that a formal fiscal note is needed, please make a fiscal note request to the Fiscal Research Division, and one will be provided under the rules of the House and the Senate.]

DATE: July 29, 2014

TO: Rep. Julia Howard

FROM: Brian Slivka
Fiscal Research Division

RE: PCCS to H366v5

FISCAL IMPACT (\$ in millions)					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
State Impact	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19
General Fund Revenues:					
General Fund Expenditures:					
State Positions:					
NET STATE IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Local Impact					
Revenues:	0.2	0.7	0.4	0.4	0.4
Expenditures:					
NET LOCAL IMPACT	\$0.2	\$0.7	\$0.4	\$0.4	\$0.4
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina Landscape Contractors' Licensing Board					
EFFECTIVE DATE: This act is effective when it becomes law.					
TECHNICAL CONSIDERATIONS: None					

BILL SUMMARY:

Section 3 of the Proposed Conference Committee Substitute to House Bill 366 Edition 5 would, effective August 1, 2015, rewrite the laws to require that any person engaged in the business of landscape contracting must obtain a license. This section would: more clearly define the term "landscape contractor"; establish requirements for landscape contractor licensure including application requirements, qualifications, and examination and continuing education; provide for exemptions for licensure; establish the North Carolina Landscape Contractors' Licensing Board; establish standards for issuing licenses to corporations, partnerships, and persons doing business under a trade name; establish fees; and articulate causes for disciplinary action, civil penalties, and injunctions.

ASSUMPTIONS AND METHODOLOGY:

The table below illustrates the current and proposed maximum fees for the North Carolina Landscape Contractors' Licensing Board:

	Current	Proposed
Application Fee	75.00	100.00
Examination Fee	75.00	250.00
Individual license fee and individual license renewal	75.00	100.00
Initial corporate, limited liability company, partnership, or trade name license	NA	100.00
Corporate, limited liability company, partnership, or trade-name license renewal	NA	100.00
Late renewal fee	25.00	50.00
Reinstatement fee	25.00	250.00
License by reciprocity	75.00	250.00
Duplicate license	5.00	25.00

The North Carolina Green Industry Council estimates there are currently 1,200 licensed landscape contractors. They estimate that by rewriting the landscape contractor licensing statutes, the number of licenses could reach 5,000 by the end of 2015. Of those 5,000, approximately 2,500 would not have to take the examination, due to grandfathering language in Section 3.31(e).

Fiscal Research has estimated that the North Carolina Landscape Contractors' Licensing Board would collect approximately \$200,000 more in revenue in FY14-15. This assumes the distribution of 3,750 licenses by June 30th 2015. In FY15-16, when all of the new fees are in place, revenue would increase by approximately \$700,000. This amount includes all 5,000 estimated licenses. Subsequent years would see approximately \$400,000 in new revenue.

SOURCES OF DATA: Committee Counsel Summary; North Carolina Green Industry Council; Moody's Analytics

TECHNICAL CONSIDERATIONS: None